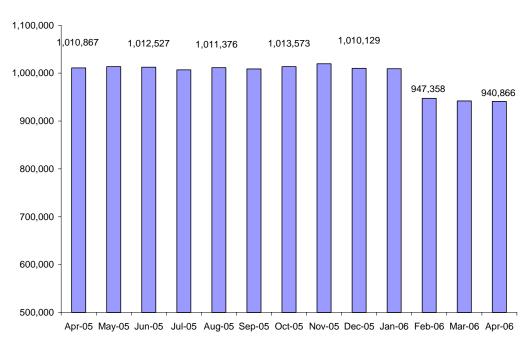
AHCCCS QUARTERLY PROGRESS REPORT FOR APRIL 1, 2006 THROUGH JUNE 30, 2006

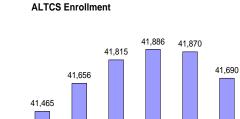
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AHCCCS Population

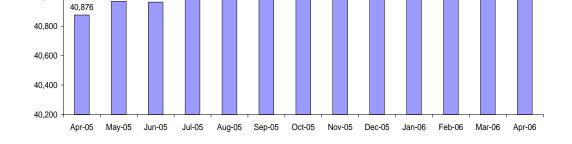
Acute Care Enrollment





41,713

41,639



41 256

41 051

40.970

40.964

Organization/Key Personnel Changes

Linda Skinner was appointed the Assistant Director of the Division for Member Services.

Program Changes

42,000

41.800

41,600

41 400

41,200

41.000

AHCCCS continues to ensure implementation of the Medicare Prescription Drug Coverage Program also known as Part D.

AHCCCS also meets on a regular basis to review and implement provisions of the Deficit Reduction Act of 2005. AHCCCS continues reaching out to stakeholders and advocates on the citizenship requirements of the Deficit Reduction Act. In an effort to ensure compliance with the citizenship requirements of the DRA, approximately 76, 000 letters were mailed the week of May 10 to members with renewal dates in July and August (AHCCCS and DES clients). Mailings will continue to be sent 90 days prior to the members review date, i.e. Sept. review--June 5 mailing, Oct. review--July 5 mailing, etc. The agency website, azahcccs.gov now has all the information accessible for members and the community to reference. On AZ 2-1-1, information has been posted in the *Feature* section of the homepage titled, "New Requirements for AHCCCS & KidsCare." A *Fact Sheet for AHCCCS Families* is available in English and Spanish. Provider briefings took place May 31-June 28 across the State --- (Phoenix, Tucson, Flagstaff, Casa Grande, Page, Sierra Vista, and Yuma). Communication to providers through organizations alsotook place in June through their respective newsletters, websites, and membership venues.

Quality Improvement

The following quality improvement deliverables were submitted during this quarter:

- Quarterly Quality Improvement Initiative Report
- Annual EPSDT Report
- HIV Perinatal Initiative

Legal

<u>AHCCCS v. CMS</u> (IHS Referral Issue) – The US District Court for Arizona ruled in favor of the state on April 24, 2005. A three-judge panel of the Eighth Circuit Court of Appeals ruled in favor of CMS three days later. CMS has indicated intent to appeal the decision of the US District Court for Arizona. North and South Dakota have asked the 8th Circuit Court of Appeals to review its decision.

<u>Ball v. Rodgers</u> A status conference was held in April 2006, and Plaintiffs filed a Response to AHCCCS' Supplement to the Motion for Enforcement.

<u>Padilla v. Rodgers</u> No activity to report for this quarter.

<u>Newton-Nations</u>, et al. v. <u>Rodgers</u> (Co-pay class action) – No activity to report for this quarter.

<u>Samaritan Health Systems v. AHCCCS</u> (Outlier Litigation) – No activity to report for this quarter.

<u>Ekloff v Rogers</u>- On April 18, 2006, the District Court Judge stayed the injunction for 60 days and clarified his Order. AHCCCS filed its Opening Brief in the Court of Appeals on May 10, 2006. Settlement discussions later commenced through the Offices of the Mediation Department of the Ninth Circuit.

Legislation

The AHCCCS- initiated proposals for the 2006 legislative sessions both successfully passed. One personal liability bill requires the personal representative of an AHCCCS member to notify the AHCCCS administration of the member's estate or property within 3 months after the member's death if the member was at least 55 and the administration has not already filed a statement or claim in the estate proceedings. The other bill requires an AHCCCS member or legal representative to provide written notice to the AHCCCS administration within 20 days after the start of civil action or other proceeding to establish liability of a third party or to collect payment from specified insurance coverage or any other source.

State Plan

Included at the end of the report is a tracking document that provides the dates that Title XIX and Title XXI State Plan Amendments were submitted and approved.

AHCCCS Contractors

AHCCCS awarded 8 managed care program contracts to provide long term care services to low income elderly and physically disabled Arizonans who are enrolled in the Arizona Long Term Care program. Currently, more than 22,000 Arizona residents are enrolled in ALTCS. The program is for elderly poor individuals (65 and over) blind, or disabled who qualify for ongoing nursing facility care. ALTCS participants are also covered for medical care, including doctor's office visits, hospitalization, prescriptions, lab work, and behavioral health services. ALTCS has been viewed as a national model for its success in placing and supporting a high percent of individuals in their home or community based residential facilities rather than placement in the more costly nursing home care.

Other

On April 7, 2006, Director Rodgers and AHCCCS staff participated in a second summit held by the leadership of the Navajo Nation Division of Health. The summit concentrated on streamlining the eligibility process for Medicaid services through technology initiatives. AHCCCS provided several presentations that were well received. As a result of the information presented by AHCCCS, a work group is being formed to discuss implementation of the most feasible ideas.

Arizona was one of five states chosen to receive technical assistance (TA) through the DIRECT SERVICES WORKFORCE GRANT over the next year. The TA will assist the ALTCS program in ensuring the availability of direct service workers to provide home and community based services. Expert staff with the CMS Direct Service Workforce (DSW) Resource Center will assist the state in developing policies, supports, monitoring mechanisms, and evaluation tools related to: 1) consumer directed care; and 2) reimbursement of spouses as paid caregivers. The Governor's Citizens Workgroup on the Arizona Long-Term Care Workforce Report issued in April 2005 identified these as two key strategies for ensuring a sufficient and capable workforce. Consumer directed care (CDC) - AHCCCS intends to implement a CDC model for the ALTCS Elderly and Physically Disabled program. The model needs to blend well with the comprehensive integrated managed care model used in Arizona. Our goal is to improve member satisfaction and the quality of care by enabling members to make sound and meaningful choices about their care from a large and well-trained pool of caregivers. One of our objectives is to enable members to assume responsibility for such activities as: 1) recruiting, hiring and training caregivers; 2) defining the caregiver's duties and work schedule; 3) supervising the caregiver in specific tasks; 4) providing performance feedback; and 5) retraining, disciplining and terminating the caregiver if his or her work is unsatisfactory. Additional objectives include reducing caregiver turnover, improving caregiver satisfaction, and expanding the current available workforce. Consumer directed care will also expand the direct care workforce by recruiting for caregivers from nontraditional sources.

State Plan Amendments Title XIX Filed during Quarter 3 (April 1, 2006-June 30, 2006) in 2006

SPA#	Description	Filed	Effective Date
06-001	Dental Hygienists	3/20/06	1/1/06
06-002	Medical Remedial expenses in penalty period	5/17/06	5/1/06